



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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Board of Supervisors  
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March 04, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

11 March 4, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**AMENDMENT NO. 2 TO LEASE NO. 71353  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
1373 EAST CENTER COURT DRIVE, COVINA  
(FIFTH DISTRICT)  
(3 VOTES)**

### **SUBJECT**

A five-year lease extension for 29,525 square feet of office space and 116 parking spaces for the uninterrupted occupancy of the Department of Children and Family Services.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign the five-year lease amendment with Sotoco Corporation. The lease amendment will be effective upon Board approval and will provide for the uninterrupted occupancy of 29,525 square feet of office space and 116 parking spaces at 1373 East Center Court Drive, Covina. The initial maximum annual lease costs are \$800,811, which is approximately 68.8 percent funded by State and federal funds and the remainder net County cost.
3. Authorize the Chief Executive Officer to implement the project.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to provide uninterrupted services by the Department of Children and Family Services (DCFS). Since October 1998, DCFS has housed one of its 19 regional, full-service child protection offices at the subject facility. DCFS provides Emergency Response, Family Maintenance/Reunification, and Permanent Placement services at this facility. These services include programs designed specifically to assist the Asian Pacific, American Indian, and deaf clientele. Medical Case Management of medically fragile children and Adoption services are also provided at this facility. Current staffing at the facility comprises 173 full-time employees. The staff maintains a caseload of 1,066 families and serves 15 to 20 visitors daily.

The existing lease expired on October 8, 2008, and occupancy has continued on a month-to-month basis. DCFS initiated a facilities consolidation plan during the time period when the lease expired. The plan envisioned an appointment of a regional administrator, and a consolidation of facilities in the El Monte and Covina region. Renewing the subject lease was delayed while the consolidation strategy was formulated. As the plan unfolded, the consolidation of some facilities did not materialize, and it was decided that the lease should be renewed.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of process, structure, and operations to support timely delivery of customer-oriented and efficient public services. In this case, the County is supporting this goal by providing continuity of operations and uninterrupted occupancy of suitable office space, which allows staff to provide efficient public services. The lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

## **FISCAL IMPACT/FINANCING**

The proposed lease amendment will provide uninterrupted use of 29,525 square feet of office space and 116 parking spaces at a maximum first year cost of \$800,811 or \$27.12 per square foot. The rental costs consist of two components, rent and tenant improvement (TI) reimbursement payments. Annual rental costs amount to \$614,038 or \$20.80 per square feet, and annual TI reimbursement payments amount to \$186,773 or \$6.33 per square feet. All building operating expenses, except utilities and plumbing repairs, are included in the rent. The rent is subject to annual adjustment in accordance with changes to the Consumer Price Index (CPI) with a maximum annual increase of 4 percent and no minimum increase. Attachment B is a fiscal impact/financing overview of the proposed lease.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease amendment will provide uninterrupted occupancy of 29,525 square feet of office space and 116 parking spaces. The amendment updates the following terms and conditions of the original lease:

- Commencement of the new five-year term upon approval by the Board.
- Two Options to Renew the lease for five-year periods at the prevailing rental rate, and subject to a 180-day advance written notice from the Chief Executive Office (CEO).

- The holdover provision includes a rental increase clause adjusting the rent to 125 percent of the prevailing amount in the event a holdover tenancy is established.
- The lease will switch from a full-service structure to a modified full-service structure with the landlord responsible for all operational and maintenance costs, except utilities and plumbing repairs.
- A Base TI Allowance is being provided in the amount of \$354,300 for new paint and carpet, and is only reimbursable to the landlord in the event the County exercises its cancellation option.
- An Additional TI Allowance of \$500,000 is being provided for new electrical upgrades and interior Americans with Disabilities Act (ADA) improvements. This allowance is reimbursable to the landlord over the initial 36 months of the new term at an amortization rate of 8 percent.
- The landlord is responsible for completing ADA, parking lot, roof, HVAC, ceiling tile, and restroom drainage repairs at its sole expense and without reimbursement.
- A cancellation provision granting the County a one-time Option to Cancel at the 36th month upon providing a written notice at least 180 days in advance. Upon cancellation, the County is responsible for reimbursing the landlord 50 percent of the Base TI Allowance or \$177,150.
- Annual rental rate adjustments based upon CPI with a maximum increase of 4 percent per annum and no floor.
- Upon cancellation or expiration of the lease, the County is responsible for removing all furniture, fixtures, and equipment from the premises.

The CEO, Real Estate staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space and terms is between \$18 and \$21 per square foot per year. Thus, the proposed annual cost of \$20.80 per square foot per year represents a rate within the market range for the area.

Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The California Department of Social Services inspected the leased premises and related common areas to assess ADA accessibility compliance. A Civil Rights Compliance report identifying barriers to accessibility has been provided, and the landlord has agreed to complete the necessary path of travel changes in accordance with the necessary ADA improvements outlined in the report.

## **ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendment will adequately provide the necessary office space for this County requirement. DCFS concurs with the proposed recommendations.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return three originals of the executed lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a stylized flourish and a horizontal line.

WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR:CMM  
CEM:KW:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Children and Family Services

## ATTACHMENT A

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES**  
**1373 EAST CENTER COURT DRIVE, COVINA**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>			<b>X</b>
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>			<b>X</b>
	C	Does this lease centralize business support functions? <sup>2</sup>			<b>X</b>
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup>	<b>X</b>		
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program?		<b>X</b>	
	B	Is this a long term County program?	<b>X</b>		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>X</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
	F	Is Building Description Report attached as Attachment C?	<b>X</b>		
	G	Was build-to-suit or capital project considered? <b>A build-to-suit or capital project is not feasible for this space requirement.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
	B	Was the space need justified?	<b>X</b>		
	C	If a renewal lease, was co-location with other County departments considered?	<b>X</b>		
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <b><u>X</u></b> No suitable County occupied properties in project area.			
		3. <b><u>X</u></b> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>The Landlord would not agree to cover plumbing repairs and utility costs.</b>		<b>X</b>	
	F	Has growth projection been considered in space request?	<b>X</b>		
	G	Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**FISCAL IMPACT/FINANCING  
OVERVIEW OF THE PROPOSED LEASE**

<b>1373 East Center Court, Covina</b>	<b>Existing Lease</b>	<b>Proposed Lease Amendment No.2</b>	<b>Changes</b>
Area	29,525 square feet (sq. ft.)	29,525 square feet (sq. ft.)	None
Term	10/9/1998 to 10/8/2008 Month-to-Month: (10/9/08-Present)	Upon Board approval: 2/18/14 to 2/17/19	+5 years
Annual Rent	\$614,038 (\$20.80 per sq. ft.)	\$614,038 (\$20.80 per sq. ft.)	None
Annual TI Reimbursement <sup>(1)</sup>	\$0	\$186,773 (\$6.33 per sq. ft.)	+\$186,773
Parking (included in Rent)	116 spaces	116 spaces	None
Annual Utilities Cost <sup>(2)</sup>	\$70,860 (\$2.40 per sq. ft.)	TBD	TBD
Total Annual Cost <sup>(3)</sup>	\$684,898 (\$23.20 per sq. ft.)	\$800,811 (\$27.12 per sq. ft.)	+\$115,913
Base TI Allowance	\$0	\$354,300 (\$12 per sq. ft. included in the base rent)	+\$354,300
Additional TI Allowance	\$0	\$500,000 (\$16.94 per sq. ft.)	+\$500,000
Annual Rent Adjustment	CPI adjustment with a cap of 3%	Annual CPI adjustment with a cap of 4%	+1% increase in cap
Cancellation	Any time after the 5 <sup>th</sup> year upon 60 days notice	At the 36 <sup>th</sup> month upon 180 days notice	At the 36 <sup>th</sup> month upon 180 days notice

<sup>(1)</sup> \$500,000 represents the maximum amount of reimbursable TI funds available for this project. If this entire amount is expended and amortized over 36 months at the proposed rate of 8 percent, the annual TI reimbursement will be \$186,773 (\$6.33 per sq. ft. annually).

<sup>(2)</sup> Utility costs are currently paid directly to the landlord at a predetermined amount. The proposed Amendment changes the utility costs to a direct payment method with the applicable utility vendors based on actual usage instead of a predetermined amount. The net result may be an increase or decrease in annual utility costs depending on usage.

<sup>(3)</sup> Includes annual base rent and annual reimbursement of Additional TI allowance.

## ATTACHMENT C

### DEPARTMENT OF CHILDREN AND FAMILY SERVICES SPACE SEARCH - 5-MILE RADIUS OF 1373 EAST CENTER COURT DRIVE, COVINA

Laco	Facility Name	Address	Gross SQFT	Net SQFT	Ownership	Vacant SQFT
A344	DCFS-COVINA ANNEX	1373 E CENTER COURT DR, COVINA 91724	29,525	28,050	LEASED	NONE
A059	WEST COVINA REGIONAL SERVICES BUILDING	2934 E GARVEY AVE, WEST COVINA 91791-2191	57,633	50,369	LEASED	NONE
A478	SHERIFF-NORTH REG SURVEILLANCE & APPREHENSION	2239 E GARVEY AVE N, WEST COVINA 91791	1,989	1,890	LEASED	NONE
A088	PUBLIC LIBRARY-CHARTER OAK LIBRARY	20540 E ARROW HWY, COVINA 91724	2,500	2,500	LEASED	NONE
A241	DC&FS - WEST COVINA (KINSHIP SUPPORT SVCS)	421 S GLENDORA AVE, WEST COVINA 91790	5,150	4,893	LEASED	NONE
A605	DCFS-GLENDORA (SPA 3) & REVENUE ENHANCEMENT	725 S GRAND AVE, GLENDORA 91740	109,018	103,567	LEASED	NONE
A670	DCFS-CORPORATE CENTER	801 CORPORATE CENTER DR, POMONA 91768	49,416	46,945	LEASED	NONE
A530	DCSS-GLENDORA ADULT PROTECTIVE SERVICES	130 W ROUTE 66, GLENDORA 91740	4,140	3,726	LEASED	NONE
B011	ALT PUB DEF-WEST COVINA OFFICE	1501 W CAMERON AVE, WEST COVINA 91790	607	607	LEASED	NONE
A036	PROBATION-POMONA VALLEY AREA OFFICE	1660 W MISSION BLVD, POMONA 91766	21,680	17,618	LEASED	NONE
5941	AG COMM-BONELLI FIELD OFFICE/ COMFORT STN #3	250 VIA VERDE, SAN DIMAS 91773	1,528	564	OWNED	NONE
Y479	PUBLIC LIBRARY-WALNUT LIBRARY	21155 LA PUENTE RD, WALNUT 91789	12,731	8,612	OWNED	NONE
D602	DPSS-POMONA WS DISTRICT OFFICE	2040 W HOLT AVE, POMONA 91768	54,265	39,418	OWNED	NONE
4982	PUBLIC LIBRARY-WEST COVINA REGIONAL LIBRARY	1601 WEST COVINA PKWY, WEST COVINA 91790	42,345	14,717	OWNED	NONE
X257	WEST COVINA COURTHOUSE	1427 WEST COVINA PKWY, WEST COVINA 91790	101,573	77,341	OWNED	NONE
4177	PH-EAST AREA ENVIRONMENTAL HEALTH PROGRAMS	1435 WEST COVINA PKWY, WEST COVINA 91790	8,500	4,096	OWNED	NONE
0095	PW ROAD-DIV #518 MAINTENANCE YARD OFFICE	161 N VALENCIA ST, GLENDORA 91741	660	594	OWNED	NONE
F437	PW FLOOD-PUDDINGSTONE OFFICE	150 E PUDDINGSTONE DR, SAN DIMAS 91773	240	216	OWNED	NONE
4615	VALLEYDALE-DIRECTOR'S BUILDING	5525 N LARK ELLEN AVE, AZUSA 91702	243	193	OWNED	NONE

**AMENDMENT NO. 2 TO LEASE NO. 71353  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
1373 EAST CENTER COURT DRIVE, COVINA CA 91724**

This Amendment No. 2 to Lease No. 71353 ("Amendment" or "Amendment No. 2") is made and entered into this 4th day of March, 2014, by and between Sotoco Corporation, hereinafter referred to as Lessor, and the County of Los Angeles, a body politic and corporate, hereinafter referred to as Lessee.

**WHEREAS**, Sotoco Corporation, as Lessor, and the County of Los Angeles, as Lessee have entered into that certain Lease and Agreement No. 71353, dated April 21, 1998 and amended on August 18, 1998 (hereinafter collectively referred to as "Lease") for those certain premises in the building located at 1373 East Center Court Drive, Covina, California 91724 (the "Building"), more particularly described in the Lease; and

**WHEREAS**, the Los Angeles County Board of Supervisors on May 31, 2011 approved a Lessor rental rate increase demand; and

**WHEREAS**, the parties desire to extend the term of the Lease; and

**WHEREAS**, Lessor and Lessee desire to amend the Lease in certain other respects;

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby agree as follows:

1. Lease Paragraph – 2(A) (Original Term) of the Lease is hereby amended by addition of the following language:

The term of this Lease shall be extended for a period of five (5) years beginning upon execution of this Amendment No. 2 by the County Board of Supervisors and terminating five years thereafter ("Term").

2. Lease paragraph 2(B) (Options to Renew) of the Lease is hereby deleted and replaced with the following:

**B. First and Second Options to Renew:**

Lessee shall have two consecutive options to renew this Lease for two (2) additional periods of five (5) years each (each, an "Option Term") under the same terms, conditions and prevailing rental rate.

Lessee, by Chief Executive Office ("CEO") letter, shall notify Lessor in writing not less than one hundred eighty (180) days prior to expiration of the Original Lease term of Lessee intention to exercise the option. The actual exercise of the Option shall be only by vote and approval by the Board of Supervisors of the County of Los Angeles.

71353, Supplement 2



3. Paragraph 3. **RENT of the Lease** is deleted in its entirety and replaced with the following:

The Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Fifty One Thousand One Hundred Sixty-Nine and 77/100 Dollars (\$51,169.77) per month, (i.e., approximately \$1.733 per rentable square foot per month), subject to adjustment, pursuant to Paragraph 19 (RENTAL ADJUSTMENT) as amended. Rental payments shall be payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

4. Paragraph - 5. **CANCELLATION** of the Lease is deleted in its entirety and the following is substituted therefore:

Lessee shall have a one-time right to cancel this Lease at the thirty-sixth month of the Term of this Amendment No. 2 hereof by giving Lessor not less than one hundred and eighty (180) days prior written notice by letter from Lessee's CEO.

In the event Lessee exercises its one-time option to cancel this Lease, Lessee shall reimburse to the Lessor within thirty (30) days of said termination, fifty percent (50%) of the total Base Tenant Improvement Allowance. Additionally, Lessor shall have the right to market the premises, including the posting of for sale or lease signs, and the ability to show the premises to prospective tenants. Lessor will provide the on-site management no less than two hours notice prior to showing the property. Notice of Lessor's intention to show the building can be given via telephone or e-mail communication.

In the event Lessee does not vacate said premises before or exactly on the last day of the thirty-sixth month, according to all of the terms and conditions of the Lease, then the Lease shall continue with full force and effect to the end of the five-year term, as if the Lessee had not exercised its one-time option to cancel the Lease.

5. Paragraph – 6. **HOLDOVER** of the Lease is deleted in its entirety and replaced with the following:

In case Lessee holds over beyond the end of the Term, provided with the expressed or implied consent of Lessor, such tenancy shall be from quarter-to-quarter only, subject to the terms and conditions of this Lease (excluding the rent), but shall not be renewal hereof, and the rent shall be at 125% of the rate prevailing under the terms of this Lease. Either party may during the holdover cancel this Lease by giving the other party at least sixty (60) days prior written notice, provided, however, that in the event a notice of the Lessee's intent to exercise the option to renew this Lease has been given and when applicable, and the negotiations are proceeding in good faith but have not been completed prior to the Lease expiration, then the holdover term shall be on a semi-annual basis and the Lease may be canceled by either party upon ninety (90) days prior written notice.

6. Paragraph – 8. **TENANT'S FIXTURES** of the Lease is deleted in its entirety and replaced with the following:

Lessor and Lessee agree that the Lessee shall remove, at its own expense, during or at the expiration or other termination of the term of this Lease, or any termination of any extension or holdover period thereof, as the case may be, all fixtures, furniture, equipment and all other personal property placed or installed in or upon the demised Premises by the Lessee, or under its authority. Lessee agrees to return said Premises to Lessor in as good and clean condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted.


7. Paragraph – 9. **REPAIR, MAINTENANCE AND REPLACEMENT** of the Lease is deleted in its entirety and replaced with the following:

This Lease is a modified full service lease.

A. Lessor Obligations

Lessor agrees to repair, maintain and replace as necessary at Lessor's own expense the entire interior and exterior of the Premises. Lessor's responsibility shall include, but not be limited to lamps and tubes, exposed plumbing, fire sprinkler, if applicable, windows, window coverings, fire extinguishers, floor coverings, the sewer system, the grounds, parking spaces (including resurfacing, restriping, landscaping, sweeping and provision of adequate lighting, as applicable), and the basic structure. Basic structure is agreed to include: all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing (excluding drains and soil pipes), elevators (including elevator hydraulic system, and casing for elevator ram), stairways, concealed electrical systems, and heating, ventilating and air conditioning system. As part of Lessor's responsibilities for maintaining the Premises, Lessor shall provide janitorial supplies (including restroom supplies) and janitorial services in accordance with the schedule attached to this Lease as Exhibit "J".

In the event Lessor should fail, neglect or refuse to commence the repair, replacement or maintenance work required by Paragraph 9A herein within five (5) days after written notice has been served by Lessee, or fail, neglect or refuse to pursue said replacement or maintenance work with reasonable diligence to completion, the Lessee at its sole discretion may perform or cause to be performed said repair, replacement or maintenance work and deduct the reasonable cost thereof from the installments of rent next due as a charge to the Lessor, or the Lessee at its sole discretion may terminate the Lease and shall not be liable for any further rental under this Lease and Agreement.

In the event that items specified in Paragraph 9A wear out or fail or are damaged by earthquake, fire or the elements, and/or other public disaster or casualty, the Lessor shall replace said items at its own expense, subject to the provisions of Paragraph 7. 

B. Lessee Obligations

Without limiting the foregoing, Lessee shall, at Lessee's sole expense, be responsible for repairing any area damaged by Lessee or Lessee's agents, employees, invitees and visitors, and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Lessee. All repairs and replacements shall:

- a. be made and performed by contractors or mechanics approved by Lessor, which consent shall not be unreasonably withheld or delayed,
- b. be at least equal in quality, value and utility to the original work or installation, and
- c. be in accordance with all laws.

Upon completion of Tenant Improvements, Lessor and Lessee acknowledge that all concealed drains and soil pipes are clean and clear, and maintenance of all concealed drains and soil pipes for the remainder of Term and Option Term (if applicable) shall be the responsibility of Lessee.

Lessee agrees to return said Premises to Lessor in as good condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted.

8. Paragraph – 10. UTILITIES is deleted in its entirety and the following is substituted therefor:

Lessee agrees to be solely responsible to pay directly all charges for the use of the sewer, effluent treatment, when and if imposed by any governmental authority, all water, sprinkler standby charges, electricity, gas heating, other utility rents, including trash removal and charges accruing or payable in connection with the Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

9. Paragraph - 15. NOTICES is deleted in its entirety and the following is substituted therefor:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Sotoco Corporation  
c/o Mr. Parviz Omidvar  
P. O. Box 7576  
Beverly Hills, California 90212

or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California. Further, Lessor shall at all times maintain an e-mail address to facilitate ease in communicating property management concerns and an emergency after-business-hours contact person and telephone number.

Notices to Lessee shall be addressed to:


Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 217-4971

10. Paragraph 19. **RENTAL ADJUSTMENT** of the Lease is hereby amended by deleting all mention of \$32,477.50 and replacing it with \$51,169.77. Additionally, sub-paragraph 19. C shall be deleted in its entirety and in its place shall appear the following:

C. General Provisions:

1. In no event shall the monthly rent adjustment based upon the CPI formula set forth in this Paragraph 19 result in an annual increase greater than four percent (4%) per year of the monthly base year rent of \$51,169.77 (i.e., \$2,046.79 per month, annually).
2. In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year of the Lease.
3. Annual rental rate adjustments shall continue to be effective on November 1<sup>st</sup> of each year, except the Base Index shall be the October 2013 index and the New Index shall be the October index of the year the adjustment is to be effective. 

11. Paragraph 21. **PARKING SPACES**: is hereby amended by the addition of the following:

Notwithstanding the aforementioned requirements and remedies, in the event of future or present Americans with Disabilities Act (ADA) barrier removal that results in a lost in the number of parking spaces, Lessor shall not be deemed in default of the terms and conditions of this Paragraph 21(**PARKING SPACES**) and Lessee shall not be entitled to cancel this Lease and Agreement.

12. Paragraph 26. **TENANT IMPROVEMENTS** is hereby amended by the addition of subparagraph 26. E. **Amendment No. 2 Tenant Improvements**:

E. **Amendment No. 2 Tenant Improvements**:

- (1) Lessor, within thirty (30) days of receipt of a duly executed copy of this Amendment No. 2 and County-approved preliminary plans, will commence the bidding process for a licensed California architect. Said architect will prepare final working drawings and specifications for the proposed building tenant improvements.

Lessor shall submit three bids for the construction of the tenant improvements. Lessee and Lessor shall review all bids prior to the award of the contract. The bids shall include an itemized list of all materials and labor and shall include all additional costs including architectural and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Three bids for the purchase and installation of office furniture systems, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

The tenant improvement costs shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense to Lessor. However, Lessor shall complete the interior building ADA upgrades per State of California Department of Social Services recommendations dated May 2-6, 2011.

- (2) **Base Tenant Improvement Allowance**:

Lessor shall provide to Lessee \$354,300 as base Tenant Improvement Funds to be used for the painting and the installation of carpet in the building pursuant to Lessor's and Lessee's joint specifications. Any remaining funds may be used by Lessee at Lessee's sole discretion.

- (3) **Additional Tenant Improvement Allowance**:

Lessor shall provide \$500,000 to Lessee to be used for tenant improvements at Lessee's sole discretion. Lessee agrees to reimburse to the Lessor the entire Additional Tenant Improvement Allowance of \$500,000; said TI Allowance will be amortized at the rate of 8.0% per annum over the first three years of the extended lease term. Lessee may at anytime during the first three years pay Lessor in a lump sum for all or any portion of the Additional Tenant Improvement Allowance.

Within 90 days of receipt of a duly executed copy of this Amendment No. 2, Lessor at its own cost and expense shall commence to:

- a. Repair the flat and shingle roof where needed
- b. Repair the island curb located at the northwest corner of the building
- c. Repair parking lot potholes
- d. Seal coat the entire parking lot
- e. Re-stripe the parking lot
- f. Complete the parking lot ADA upgrades per State of California Department of Social Services recommendations dated May 2-6, 2011
- g. Replace/repair broken hallway ceramic tiles
- h. Strip and wax vinyl tile throughout the facility
- i. Clean window blinds throughout the facility
- j. Provide working ventilation fans in the restrooms
- k. Clean/deodorize floor drains in all bathrooms
- l. Secure working locks on each bathroom stall
- m. Balance HVAC air temperature throughout the facility
- n. Replace all stained/painted ceiling tiles, if any
- o. Brighten lighting within the parking lot with six (6) wall mounted flood lights
- p. Paint the interior of the building.
- q. Install carpet in the entire facility including lifting or moving existing furniture.
- r. Hydro-jet all clean-out drains and soil pipes to the City Main
- s. Yearly building pressure wash and window cleaning
- t. Monthly exterior pest extermination service
- u. Tree trimming and landscaping to be performed on weekends

The parties mutually agree that the estimated time for completion of the Lessor's Tenant Improvements is 180 days in addition to the initial 90-day commencement period.

Completion may be delayed by:

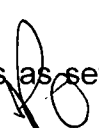
- (i) Acts or omissions of Lessee or of any employees or agents of Lessee (including change orders in the work), or

- (ii) Any act of God which Lessor could not have reasonably foreseen and provided for, or
- (iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
- (iv) Any war or declaration of a state of national emergency, or
- (v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

If Lessor fails to complete the tenant improvements within sixty (60) days from the estimated time of completion, which period shall be extended for a reasonable time for delays enumerated in this Paragraph 26, subparagraph E, Lessee may, at its option upon thirty (30) days written notice to Lessor, assume the responsibility for providing the tenant improvements itself.

If Lessee elects to provide tenant improvements itself, then:

- (aa) Lessee, its officers, employees, agents, contractors and assignees, shall have access to the Premises at all reasonable times for the purpose of making the tenant improvements and for any other purposes reasonably related thereto;
- (bb) Rent shall be reduced by Lessee's total expense in making the tenant improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of 8.0%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Lessee's total expense shall be fully amortized in equal monthly amounts over three (3) years.

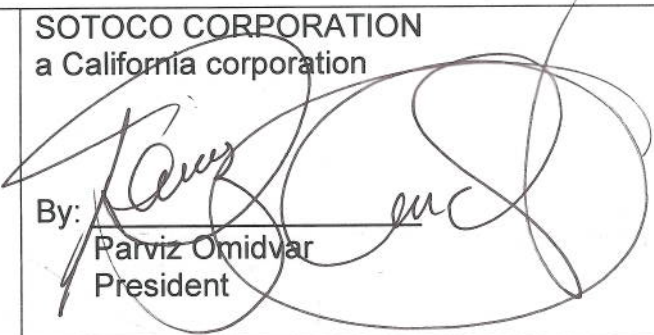



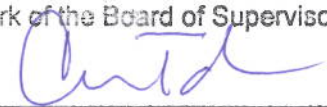


- 13. Exhibit "C" of the Lease is deleted in its entirety and is replaced by Exhibit "J".
- 14. The Lease is hereby amended by the addition of Exhibits "G", "H", "I", and "J".
- 15. All references to Paragraphs 9A, 9B and 9D in the Lease shall be replaced with Paragraph 9A as amended and all references to Paragraph 9C in the Lease shall be replaced with Paragraph 9B as amended.
- 16. Each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this Amendment No. 2.
- 17. All undefined terms when used herein shall have the same respective meanings as set forth in the Lease unless expressly provided otherwise in this Amendment No. 2. 

18. Each of the signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 2 upon the terms and conditions stated herein, and each agrees to indemnify and hold harmless Lessee from all damages, costs, and expenses, which result from a breach of this representation.
19. In the event of a conflict between the terms and conditions of this Amendment No. 2 and the terms and conditions of the Lease, the terms and conditions of this Amendment No. 2 shall prevail. All others terms and conditions contained in the Lease are ratified and shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 2 and the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month and year first written above.

LANDLORD:	SOTOCO CORPORATION a California corporation  By:  Parviz Omidvar President
TENANT:	COUNTY OF LOS ANGELES a body politic and corporate  By:  Don Knabe Chairman, Board of Supervisors
ATTEST:  Sachi A. Hamai Executive Officer-Clerk of the Board of Supervisors  By:  Deputy	 I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.  SACHI A. HAMAI Executive Officer Clerk of the Board of Supervisors  By:  Deputy
APPROVED AS TO FORM  JOHN F. KRATTLI County Counsel  By:  Deputy County Counsel	<b>ADOPTED</b> BOARD OF SUPERVISORS  ... # 11 MAR 04 2014   SACHI A. HAMAI EXECUTIVE OFFICER

71353 Supplement No. 2

**EXHIBIT G  
COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain Lease Amendment No. 2 ("Lease") dated \_\_\_\_\_, 20\_\_, between County of Los Angeles, a body politic and corporate ("Tenant"), and Sotoco Corporation, a California corporation ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 1373 East Center Court Drive, Covina, California 91724 ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Lessee received notification from Lessor \_\_\_\_\_, 20\_\_ indicating required Improvements have been completed and commencement of rent shall not occur any earlier than 15 days after receipt of said notice.
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) Lessee accepted the Improvements on \_\_\_\_\_, 20\_\_
- 4) The Lease commenced on \_\_\_\_\_ ("Commencement Date").
- 5) The Premises contain \_\_\_\_\_ rentable square feet of space; and

For clarification and the purpose of calculating future rental rate adjustments:

- 1) Base Rent per month is \_\_\_\_\_.
- 2) The Base Index Month is \_\_\_\_\_.
- 3) The Base Index is \_\_\_\_\_.
- 4) The New Index Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

<b>Tenant:</b>  COUNTY OF LOS ANGELES a body politic and corporate   <b>By:</b> _____ Christopher Montana Acting Director of Real Estate	<b>Landlord:</b>  SOTOCO CORPORATION   <b>By:</b> _____ Parviz Omidvar President
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**EXHIBIT H  
HEATING, VENTILATION  
AND AIR CONDITIONING**

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb.

**EXHIBIT I**  
**OCCUPANCY RULES AND REGULATIONS**

1. Tenant shall not permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Tenant shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
3. Tenant shall not keep animals, birds or fish, nor shall Tenant feed or provide shelter to stray animals or birds.
4. Tenant shall not make or permit litter except in appropriate receptacles for that purpose.
5. Tenant shall not alter any lock or install any new or additional locks or bolts to any authorized Landlord accessible area without providing Landlord with a new set of keys.
6. Tenant shall not modify, alternate and/or convert the electrical system without the Lessor's prior written consent.
7. Tenant shall not place anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Office Building Project in excess of the floor capacity.
8. No window coverings, shades or awning shall be installed or used by Tenant without the written consent of the Landlord.
9. No Tenant, employee or invitee shall go upon the roof of the Building.
10. Tenant shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
11. Tenant shall not use any method of heating or air conditioning other than as provided by Landlord. Tenant shall not tamper with the air conditioning programming or the thermostats temperature settings. Tenant shall contact Lessor to make all adjustments to the thermostats but not to exceed four (4) times within each calendar year. If Tenant requests Lessor to make thermostat adjustments in excess of the four (4) allotted adjustments, then Tenant shall pay Lessor a fee of \$170 for each additional thermostat adjustment.
12. The Premises shall not be used for lodging or manufacturing.
13. Tenant shall not have space heaters or fans in the premises.

14. Tenant shall comply with all safety, fire protection and evacuation regulations established by Landlord or any applicable governmental agency including Tenant.
15. Tenant shall not dispose of food or garbage in the restrooms; all food and garbage should be disposed in a plastic bag in the kitchen or lunch room areas.

### **PARKING RULES**

1. Parking areas shall be used only for parking by vehicles no longer than full size (vans, pickup trucks and sport utility vehicles), passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."
2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities.
3. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
4. The maintenance, washing, waxing or cleaning of vehicles in the parking area or Common Areas is prohibited.

**EXHIBIT J**  
**CLEANING AND MAINTENANCE SCHEDULE**

DAILY (Monday through Friday)

1. Composition floors dust-mopped.
2. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
3. Waste baskets, other trash receptacles emptied.
4. Chairs and waste baskets returned to proper position.
5. Fingerprints removed from glass doors and partitions.
6. Drinking fountains cleaned, sanitized and polished.
7. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
8. Kitchen/lunchroom supplies replenished including paper supplies and soap.

WEEKLY

1. Carpets vacuumed.
2. Bulb and tube replacements, as required.
3. Floors washed as needed.
4. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.

MONTHLY

1. Window sills, ledges and wood paneling and molding dusted.
2. Upholstered furniture vacuumed, plastic and leather furniture wiped
3. Picture moldings and frames dusted.
5. HVAC chiller water checked for bacteria, water conditioned as necessary.

QUARTERLY

1. Floors washed and waxed in uncarpeted office area.
2. High-reach areas, door frames and tops of partitions dusted.
3. Wall vents and ceiling vents vacuumed.
4. Light fixtures cleaned and dusted, but not less frequently than quarterly.
5. Carpet professionally spot cleaned as required to remove stains.
6. Wood furniture polished.

### SEMI-ANNUALLY

1. Draperies or mini-blinds cleaned as required, but not less frequently than semi-annually.
2. All painted wall and door surfaces washed and stains removed.
3. All walls treated with vinyl covering washed and stains removed.
4. HVAC units serviced for preventative maintenance purposes, all filters changed.

### ANNUALLY

1. Carpets steam cleaned.
2. Windows washed as required inside and outside but not less frequently than annually.
3. Furniture systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned.
4. Bathroom and any other ceramic tile surfaces cleaned using a hand scrub process.

### AS NEEDED

1. The sidewalks, driveways, parking areas and all means of access and egress for the demised Premises should be maintained in good repair, clean and safe condition at all times.
2. All lawns, shrubbery and foliage on the grounds of the demised Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.